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SUBJECT: IRAQ; CIA SECRET PRISONS; US-VENEZUELA; PRESIDENT KIRCHNER'S VISIT TO THE US; US-ARGENTINE TIES; THAILAND; 09/25/06; BUENOS AIRES

11. SUMMARY STATEMENT

Weekend papers report on a confidential intelligence report about the impact of the US global war on terrorism; the CIA secret prisons; a diplomatic incident between the US and Venezuela; President Nestor Kirchner's trip to the US and its impact on the US-Argentine bilateral relationship; and the coup d'etat in Thailand.

12. OPINION PIECES

- "Bush is troubled due to a report on Iraq"

Daily-of-record "La Nacion" reports (09/25) "Only six months away from legislative elections, a confidential report from 16 intelligence agencies has been leaked and has sparked strong controversy in the US and could well damage the image of President George W. Bush even further.

"The document related to the impact of the global war on terrorism, which is part of a national assessment on intelligence data, was made public yesterday by The New York Times and The Washington Post newspapers and it could be devastating for Bush..."

"According to the report, the war helped create a new generation of radicalized Muslims and the terrorist threat has increased since the September 11 attacks. The report also refers to the conflict in Iraq as the most important tool for recruiting Islamic extremists.

"Blair Jones, a White House spokesperson, said yesterday that the government 'will not make any comments on secret documents.'

"According to Peter Watkins, another spokesperson, the USG is not planning to alter its anti-terrorist strategy. 'We have said that terrorists are determined. Maintaining pressure and remaining on the offensive is the best way to win the war.'

"However, the presidential entourage's concern was more than tangible yesterday because the report was made public only six weeks away from legislative elections. The intelligence document destroys a pillar of the GOP political campaign - that the 2003 invasion of Iraq and the removal of Saddam Hussein made the US a safer country.

"The political repercussions for Bush could be serious given that the report, which was titled 'Trends in World Terrorism - Implications for the US,' is the outcome of the combined analysis of 16 intelligence services of the government, and this implies it is not the work of a political party."

- "The US defends CIA secret prisons"

Leonardo Mindez, on special assignment in Washington for leading "Clarín," writes (09/25) "The White House again defended CIA secret prisons in several parts of the world, a tool that was rejected by human rights organizations and defined by some as the 'dirty war' on terrorism."

"... As a matter of fact, ever since The Washington Post reported on these secret prisons in November 2005, the USG consistently denied their existence until President Bush unexpectedly recognized their existence on September 6... The presidential confession occurred following several judicial retreats related to the procedures he promotes in the global war on terrorism..."

- "The US apologizes with Venezuelan FM due to an incident"

Leonardo Mindez, on special assignment in Washington for leading "Clarín," writes (09/25) "Paradoxically, during the same week Hugo Chávez called US President Bush a 'devil' at the UN General Assembly, the USG had to apologize to the Venezuelan government. If the Bolivarian leader had planned it, he could not have obtained a better outcome.

"Yesterday, the US Department of State's spokesperson, Gonzalo Gallegos, said 'The USG apologizes to Minister Maduro and the Venezuelan Government.' Last Saturday night, the White House had denied the incident. The brief communiqué was released after an incident involving FM Nicolás Maduro when he tried to take a flight from Miami to Caracas at New York's JFK Airport."

- "Investment in credibility"

Ricardo Kirschbaum, editor of leading "Clarín," writes (09/249) "Does President Nestor Kirchner's visit to New York represent a turning point in Argentina's foreign policy or does a policy that was darkened by fireworks acquire greater visibility?

"Regardless of some points of disagreement, the US-Argentine relationship has not suffered major trauma. Washington took an understanding position with Argentina even at the worst moments of the Argentine default.

"Kirchner seems to be willing to improve his dialogue with the White House, which is certainly distant following the SOA frictions..."

"The President made a series of gestures aimed at demonstrating that he is not a militant anti-capitalist but a heterodox capitalist who wants to better distribute profits. This is why, the President agreed to ring the bell on Wall Street... and said that he found an 'understanding' approach from the US official in charge of Latin America."

"His relationship with Chávez is the milestone for Washington."

- "A complex relationship with the White House"

Leading "Clarín" reports (09/25) "When Thomas Shannon presented himself at Capitol Hill for his confirmation hearing as US official in charge of Latin American affairs, he said that Hugo Chávez would be 'one of the toughest challenges of his job' and that he was willing to confront him in 'a battle of ideas.'

"Chávez's insults of President Bush achieved the unusual effect that, during an election campaign, both Republicans and Democrats joined to defend the US President. Democrat Nancy Pelosi called Chávez 'a mere hooligan.'

"The offensive of the US leaders against Chávez is not accidental, in fact, they fear that the Venezuelan president could become a dangerous influence on the governments of the region..."

"Yesterday, Chávez said he expects to use his seat at the UN Security Council to oppose US aspirations to put an end to the world.' As many analysts told 'Clarín,' the fight for that seat between Venezuela and Guatemala seems now a referendum in favor or against the US."

- "Kirchner spoke with Shannon about recovering the US-Argentine relationship"

Walter Curia, on special assignment in New York for leading "Clarín," writes (09/23) "... US Assistant Secretary for Western Hemispheric Affairs, or to be clear, Bush's man for the region, Thomas Shannon, and President Nestor Kirchner had a 40-minute 'intense dialogue,' which is aimed at recovering the US-Argentine relationship.

"It is not unwarranted to say that their meeting, in the framework of the Council of the Americas' dinner, ended up being the high point of the end of President Kirchner's visit to New York, which was not supposed to include any contact with the members of the Bush administration..."

"Kirchner said of Shannon 'I saw in him an inclination to build a different relationship with Argentina. He understands that we should talk about the issues on which there is disagreement (sic).'

"Shannon told Kirchner what the US expected from him - he mentioned again the importance of the recovery of Argentina and Brazil, and the 'stabilizing' influence of the two countries and the political balance of the region."

- "Argentina's ties with the US are more flexible"

Hugo Alconada Mon, Washington-based correspondent for daily-of-record "La Nación," comments (09/23) "Gestures of détente and rapprochement with the US came back and forth in recent days, and for the first time in almost one year those gestures were convincing for President Nestor Kirchner. According to official sources, Argentina's ties with the White House will remain tense and carry profound disagreement, but both countries will make progress on bilateral and regional issues of interest to both governments.

"Bolivia and Venezuela are the main topics of a common agenda. Also, the role to be played by Argentina and Brazil to stabilize South America, which Washington promotes based on its own needs..."

"Kirchner said 'the dialogue with Shannon was surprisingly positive.' I saw him willing to build a different relationship with Argentina and with Latin America.

"Washington closely follows what happens in Caracas and La Paz. This is why, one of Shannon's goals is that both Kirchner and Lula play a 'stabilizing role' in South America.

"Kirchner marked a clear difference between Shannon and his predecessor, Roger Noriega, a more confrontational man..."

- "A rapprochement that started with the Argentine payment of the debt to the IMF"

Ana Baron, Washington-based correspondent for leading "Clarín," writes (09/23) "Following the 2005 Mar del Plata Summit of the Americas, all expectations indicated that the US-Argentine bilateral relationship had entered a black tunnel from which it would hardly get out. Today, less than one year later, there is a noticeable rapprochement between the two countries.

"Argentina's payment of its debt owed to the IMF has released tension in bilateral ties..."

"According to a source of the Economy Ministry, Miceli believes that the payment of Argentina's debt to the Paris Club will further promote the normalization of Argentina's ties with the US Department of Treasury.

"As a matter of fact, the prevailing climate at the US Department of State vis-à-vis Argentina started to improve as a result of Roger Noriega's replacement, Thomas Shannon as US Assistant Secretary for Western Hemispheric Affairs. Shannon managed to put a brake on the polarization that was being observed in the area, which had its highest point at the SOA. In contrast to his predecessor, Shannon is

implementing a policy in the region that focuses on agreement rather than disagreement. In this regard, Kirchner got it right when he said that during this trip he perceived an effort from the US to establish a different relationship with the hemisphere and particularly with Argentina.

".... In fact, turbulence has moved now to the US private sector, which, in exchange for its investment, is asking Kirchner what the IMF used to ask from him in the past - to increase public service rates and provide a more stable regulatory framework. This arm-wrestling has just started."

- "A president's public gestures"

Joaquin Morales Sola, political columnist of daily-of-record "La Nacion," writes (09/24) Presidents Nestor Kirchner and George W. Bush are likely not to see each other again. Neither of them is interested in the other. Kirchner found a bizarre formula - he prefers to act cold and aloof with Bush and manage the relationship with US Assistant Secretary Tom Shannon...

"Bush has never prevented his administration from making progress on deals with any other government, though subject to one condition - he does not want to personally meet the leaders who have personally disappointed him. It has not always been like this with Kirchner. They met a few times, but had established a cordial relationship. Guided by his intuition, Bush trusted Kirchner more than his administration for some time.

"It was like this until a scandal occurred in Mar del Plata. Kirchner organized a summit, funded a counter-summit and lashed at the US president in a speech... Bush will never forget it. Will Washington's permanent political top brass forget it?

"Kirchner sees a weak president in Bush in and outside of the US, who has started the final stage of his political career. Argentina no longer owes anything to the IMF, in which Washington has influenced in favor of the country many times. A cold attitude towards Bush is now a low-cost policy..."

"However, Kirchner enthusiastically re-launched a relationship with Washington in a meeting with A/S Shannon. Kirchner is like this - he prefers Shannon rather than Bush..."

"Kirchner does owe a favor to Chavez. Chavez's speech at the UN took positions to such extremes that the other rebel leaders in the world passed unnoticed."

- "Speculation in New York about (Kirchner's) re-election"

Left-of-center "Pagina 12's" New York-based correspondent Fernando Cibeira writes (09/24) "President Nestor Kirchner told a member of the delegation that accompanied him during his trip to the US 'everyone discounted that we will continue.' He was referring to his meetings with Assistant Secretary for Western Hemispheric Affairs, Thomas Shannon, and with US businessmen in New York and the

questions made about next year's elections..."

"It makes sense that investors want to know whether the president will be re-elected... Kirchner gave way to speculation about an eventual candidacy of his wife, Senator Cristina Fernandez. He also mentioned that political conversations in New York dismissed the candidacy of former Economy Minister Roberto Lavagna."

- "A trip under Chavez's shadow"

Eduardo van der Kooy, political columnist of leading "Clarín," writes (09/24) "... The US Department of State keeps insisting on the need not to isolate Argentina and Kirchner in a region where Hugo Chavez's influence is increasing and Bolivia is a real riddle. This was one of the key reasons for the meeting between US Assistant Secretary Thomas Shannon, Alberto Fernández and Julio De Vido.

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".... Did the Argentine Government seek a meeting with Shannon?

Versions differ. Alberto Fernandez asserted that Shannon showed interest in holding talks. Diplomatic sources have said that he Argentine government promoted the meeting. One week's stay in New York without a meeting with the political top brass would have had a negative impact."

- "Latin America slams US and EU bickering"

Liberal, English-language "Buenos Aires Herald's" "World Trade" supplement reports (09/25) "Latin American trade officials on Friday criticized the US and Europe for the collapse of world trade talks, saying their bickering over how to cut tariffs and subsidies to farmers was 'an excuse to do nothing.'

"Trade representatives from ten Latin American countries met this week in Australia with counterparts from eight other nations as the Cairns Group of agricultural exporting nations.

"Their aim was to help revive the WTO's Doha Round talks, which were suspended in July amid disagreements over cuts to trade barriers protecting farmers.

"In their final communique of issues Friday, the minister attending the Cairns meeting called on Washington, the EU and other industrialized countries 'to take the necessary steps to resume negotiations no later than November.'"

- "Thailand - the dangers posed by the return of a coup-d'etat trend"

Oscar Raul Cardoso, international analyst of leading "Clarín," writes (09/23) "Can a coup d'etat be considered good news some time?"

"The removal of the Bangkok's government reopens a chapter that was supposed to be closed for ever and it reveals that democracy does not arrive once and for ever.

"... The temptation to say yes to the question (of the first paragraph) is as strong as dangerous. Someone could believe that the removal of PM Shinawatra is a sort of equivalent of Italian Silvio Berlusconi's recent defeat in elections. However, the return of the ghost of coup d'états is possible in an era of increasing social discontent and democracies that are being hostages to a global economic order that will hardly look like good news."

13. EDITORIALS

- "How to attract investment"

Daily-of-record "La Nación" editorializes (09/23) "... During his visit to the US, President Nestor Kirchner promised at the New York Stock Exchange... clear rules for investors..."

"Kirchner was far from impressing US businessmen. Arrogance and tough style are far from being the style liked by investors... On the contrary, the tough reaction of The Wall Street Journal and Financial Times against the Argentine President was really impressive.

"... It will be vital for the president to understand that messages of barricade abroad, which are meant for public audiences, contribute very little to the reestablishment of the confidence in the country.

"We hope that the promises he made in New York to businessmen will not only be statements of good will but will be reflected in ordinary governmental policy instead.

"A strengthened judicial security, the respect for agreements, a high fiscal surplus that will allow the government to meet its commitments without resorting to indebtedness and control of public expenditures are central issues that the Kirchner administration has to guarantee, with the purpose of rebuilding the confidence of investors in the country."

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